

Council on Postsecondary Education
May 20, 2002

2002-04 Capital Projects Priorities and Guidelines

House Bill 1 of the 2002 Extraordinary Session of the General Assembly was introduced April 22 and passed by the House April 25. It did not become law because the House and Senate could not agree on its provisions. The bill says that the Council on Postsecondary Education is to recommend individual projects to be funded with the agency bond pool. The staff recommends that the council establish priorities for the distribution of the funds. In addition, HB 1 says that the council is to develop guidelines for institutions to access any unmatched funds in the 2000-02 Capital Renewal and Maintenance Pool. The council staff presents priorities and guidelines for discussion.

Postsecondary Education Agency Bond Pool

HB 1 includes authorization for a \$31.3 million agency bond pool for postsecondary education institutions. The debt service for these bonds will be supported with institutional funds. The staff suggests that the council's recommendation on projects to be funded with the 2002-04 agency bond pool be based on the following priorities:

1. Completion of the requirements of the Partnership Agreement between the Commonwealth and the U. S. Department of Education Office for Civil Rights.
2. Completion of student housing fire safety projects.
3. Mandated compliance with safety and health codes and timetables set by federal and state agencies for compliance.
4. Major and minor maintenance projects that maintain a facility's condition, including infrastructure and utility needs.
5. Construction of new facilities or infrastructure.

The list of eligible projects is presented in Table 1. Based on the May 20 discussion, and if a budget for 2002-04 is enacted, the council staff will present priorities and a list of recommended projects to be funded for council approval in July.

Postsecondary Education Capital Renewal and Maintenance Pool

The 2000 General Assembly appropriated \$30 million in state bonds for the Capital Renewal and Maintenance Pool for educational and general facilities at postsecondary education institutions. The institutions were required to match the funds \$1 to \$1 for specific projects. The bond funds became available to the institutions in February 2001. As shown on Table 2, approximately 75 percent of the state bond pool has been matched and distributed or encumbered.

HB 1 currently includes the following language: "Each postsecondary education institution may access any unmatched funds allocated from the Capital Renewal and Maintenance Pool to that institution after entering into an agreement with the Council on Postsecondary Education

agreeing to fulfill the matching requirement by June 30, 2004. The Council on Postsecondary Education shall develop guidelines for the agreements.”

The council staff offers the following guidelines for discussion:

- The bond funds shall be used to complete projects from the list of eligible projects approved by the council August 31, 2000.
- To access the bond funds, the institution must commit to spending an equal amount (1:1 match) on specific projects from the eligible list by June 30, 2004.
- The matching projects must be completed with institutional funds. The match excludes projects completed through energy performance contracts or capital cost avoidance.

Based on the May 20 discussion, council staff will present guidelines for council approval in July.

Staff preparation by Sherron Jackson

**2002-04 Capital Projects Recommendation
Agency Bond Pool
Summary of Projects Eligible for Funding**

Table 1

Project Category, Institution, and Project Title	Project Scope	Agency Bonds	Institutional Funds
Priority 1: Partnership Agreement between the Commonwealth and the U. S. Department of Education, Office for Civil Rights.			
<i>Kentucky State University</i>			
Renovate Young Hall Dormitory	\$9,886,000	\$9,886,000	
Total Partnership Agreement	\$9,886,000	\$9,886,000	
Priority 2: Student Housing Fire Safety Projects			
<i>Eastern Kentucky University</i>			
Replace Student Housing, Brockton	\$8,250,000	\$8,250,000	
<i>Morehead State University</i>			
Expand Life Safety: Auxiliary Facilities	3,000,000	3,000,000	
<i>Murray State University</i>			
Renovate Springer Hall - Water Piping, Fixtures, etc.	\$800,000	\$800,000	
Replace Water Piping, Fixtures, Etc. (5 Buildings)	3,100,000	3,100,000	
Subtotal MuSU	<u>\$3,900,000</u>	<u>\$3,900,000</u>	
<i>University of Kentucky</i>			
Replace Student Housing - Fraternity House #1	\$6,000,000	\$6,000,000	
Total Student Housing Fire Safety	\$21,150,000	\$21,150,000	

**2002-04 Capital Projects Recommendation
Agency Bond Pool
Summary of Projects Eligible for Funding**

Table 1

Project Category, Institution, and Project Title	Project Scope	Agency Bonds	Institutional Funds
Priority 3: Life Safety and Code Improvement Projects			
<i>Morehead State University</i>			
Comply with ADA - Auxiliary Facilities	\$1,200,000	\$1,200,000	
<i>Murray State University</i>			
Renovate Clark Hall - Electrical	\$400,000	\$400,000	
Remove Ceiling Asbestos Elizabeth and Hester Halls	900,000	900,000	
Renovate Elizabeth Hall - Electrical	550,000	550,000	
Renovate Franklin Hall - Electrical	400,000	400,000	
Renovate Hart Hall - Electrical	650,000	650,000	
Renovate Hester Hall - Electrical	580,000	580,000	
Renovate Regents Hall - Electrical	650,000	650,000	
Renovate Richmond Hall - Electrical	1,000,000	1,000,000	
Renovate Springer Hall - Electrical	600,000	600,000	
Renovate White Hall - Electrical	700,000	700,000	
Upgrade College Courts Electrical System	1,200,000	1,200,000	
Subtotal MuSU	<u>\$7,630,000</u>	<u>\$7,630,000</u>	
<i>University of Kentucky</i>			
Renovate Labs in Pharmacy Building	\$1,400,000	\$1,400,000	
Replace Holmes Elevator	585,000	585,000	
Subtotal UK	<u>\$1,985,000</u>	<u>\$1,985,000</u>	
Total Life Safety and Code Improvement	\$ 10,815,000	\$ 10,815,000	

**2002-04 Capital Projects Recommendation
Agency Bond Pool
Summary of Projects Eligible for Funding**

Table 1

Project Category, Institution, and Project Title	Project Scope	Agency Bonds	Institutional Funds
Priority 4: Major Renovations, Replacements, and Infrastructure Upgrade Projects			
<i>Murray State University</i>			
Renovate Clark Hall - HVAC, and Interior	\$1,500,000	\$1,500,000	
Renovate College Courts and Interiors (12 buildings)	5,636,000	5,636,000	
Renovate Elizabeth Hall - HVAC, and Interior	1,900,000	1,900,000	
Renovate Franklin Hall - HVAC, and Interior	1,600,000	1,600,000	
Renovate Hart Hall - Interior	6,200,000	6,200,000	
Renovate Hester Hall - HVAC, and Interior	1,700,000	1,700,000	
Renovate Regents Hall - HVAC, and Interior	1,800,000	1,800,000	
Renovate Richmond Hall - HVAC and Interior	2,400,000	2,400,000	
Renovate Springer Hall - HVAC and Interior	2,000,000	2,000,000	
Renovate White Hall - HVAC, and Interior	1,600,000	1,600,000	
Repair Winslow Cafeteria Exterior and Replace Mechanical Eq.	1,000,000	1,000,000	
Replace Clark Hall	8,000,000	8,000,000	
Replace Franklin Hall	8,000,000	8,000,000	
Replace Chiller, Boilers, Towers, Domestic Water Piping (3 buildings)	2,300,000	2,300,000	
Replace Richmond Hall	8,000,000	8,000,000	
Subtotal MuSU	<u>\$53,636,000</u>	<u>\$53,636,000</u>	

**2002-04 Capital Projects Recommendation
Agency Bond Pool
Summary of Projects Eligible for Funding**

Table 1

Project Category, Institution, and Project Title	Project Scope	Agency Bonds	Institutional Funds
<i>University of Kentucky and Lexington Community College</i>			
Install HVAC (Boyd, Holmes, Jewell, and Keeneland)	\$7,667,000	\$7,667,000	
Expand Plant Capacity/Infrastructure	15,000,000	15,000,000	
Renovate outpatient clinic in KY Clinic	2,000,000	2,000,000	
Renovate Cooperstown - Phase IV and IVA	1,705,000	1,705,000	
Renovate Education Space in Medical Science	2,300,000	2,300,000	
Renovate Parking Structure #1	7,714,000	7,714,000	
Replace Cooling Plant Chillers	5,000,000	5,000,000	
Expand Patient Parking in Structure #3	7,000,000	7,000,000	
UK Hospital: Renovate Roach Building 4th Floor	3,990,000	3,990,000	
Subtotal UK	<u>\$52,376,000</u>	<u>\$52,376,000</u>	
<i>Western Kentucky University</i>			
Renovate Downing University Center	\$11,320,000	\$11,320,000	
Renovate Materials Characterization Center	10,000,000	1,500,000	\$8,500,000 *
Subtotal WKU	<u>\$21,320,000</u>	<u>\$12,820,000</u>	<u>\$8,500,000</u>
Total Major Renov., Replacements, and Infrastructure Upgrade	\$127,332,000	\$118,832,000	\$8,500,000

* Includes \$4.0 million in economic development bonds authorized by the 2000-2002 budget of the Commonwealth.

**2002-04 Capital Projects Recommendation
Agency Bond Pool
Summary of Projects Eligible for Funding**

Table 1

Project Category, Institution, and Project Title	Project Scope	Agency Bonds	Institutional Funds
Priority 5: Construction of New Facilities			
<i>Eastern Kentucky University</i>			
Construct Greek Row	\$1,800,000	\$1,800,000	
<i>Morehead State University</i>			
Construct Family Housing Complexes Phase II	\$4,000,000	\$4,000,000	
Construct Parking Structure	6,000,000	6,000,000	
Subtotal MoSU	<u>\$10,000,000</u>	<u>\$10,000,000</u>	
<i>Murray State University</i>			
Construct Student Recreation Center	\$10,000,000	\$10,000,000	
Construct New Dormitories	10,154,000	10,154,000	
Subtotal MuSU	<u>\$20,154,000</u>	<u>\$20,154,000</u>	
<i>Northern Kentucky University</i>			
Construct Parking Deck	\$9,100,000	\$9,100,000	
Construct Village Housing	20,000,000	20,000,000	
Subtotal NKU	<u>\$29,100,000</u>	<u>\$29,100,000</u>	
<i>University of Kentucky</i>			
Construct Parking Structure	\$16,280,000	\$16,280,000	
UK Hospital: Design Patient Bed Tower	10,000,000	10,000,000	
Subtotal UK	<u>\$26,280,000</u>	<u>\$26,280,000</u>	
<i>University of Louisville</i>			
Construct Cardinal Park Natatorium	\$19,824,000	\$7,335,000	\$12,489,000
Expand HSC Parking Garage - Add Two Floors	4,794,000	4,794,000	
UofL and UK Fiber Optics Purchase	4,650,000	4,650,000	
Subtotal UofL	<u>\$29,268,000</u>	<u>\$16,779,000</u>	<u>\$12,489,000</u>
Total Construction of New Facilities	\$116,602,000	\$104,113,000	\$12,489,000
Total Agency Bond Pool Projects	\$285,785,000	\$264,796,000	\$20,989,000

Table 2

2000-2002 Capital Renewal and Maintenance Pool
\$30 million General Fund Supported Bonds
\$1 for \$1 Match Required
As of January, 2002

	Allocation of CR&M Pool	CR&M Projects Completed		Total Completed	Projects Underway: Jan 02		Percent Matched
		State Funds	Institutional Funds		State Funds	Institutional Funds	
EKU	\$2,814,000				\$809,500	\$809,500	28.8%
KSU	759,000						0.0%
MoSU	1,625,000	\$634,953	\$634,953	\$1,269,906	910,047	910,047	95.1%
MuSU	2,532,000	336,773	336,773	673,546	1,260,000	1,260,000	63.1%
NKU	1,359,000	451,207	451,207	902,414	773,793	773,793	90.1%
UK	8,929,000	3,971,463	3,971,463	7,942,926	4,017,537	4,017,537	89.5%
UL	4,553,000	511,907	511,907	1,023,814	3,922,760	3,922,760	97.4%
WKU	2,343,000						0.0%
KCTCS	5,086,000	3,834,000	3,834,000	7,668,000	952,000	952,000	94.1%
	\$30,000,000	\$9,740,303	\$9,740,303	\$19,480,606	\$12,645,637	\$12,645,637	74.6%